

## **Historic, archived document**

Do not assume content reflects current scientific knowledge, policies, or practices.

# U. S. DEPARTMENT OF AGRICULTURE

FARMERS' BULLETIN No. 775 *rev.*

*Jan. 1926*

## LOSSES FROM SELLING COTTON IN THE SEED



COTTON DIVISION COPY

**W**HEN a farmer sells his cotton in the seed—

He does not know what his lint is worth.

He agrees that his cotton is worth only an average price.

He admits that his personal labor and investment are worth only an average price.

He can not use quotations on the big markets as a check on local offers because cotton in the seed is not quoted.

He discourages lint buyers from competing in the local market for his cotton.

His planting seed is mixed with his neighbors' poor seed and he can not maintain a good variety.

He robs himself and his community of encouragement to raise good cotton, improve seed, and introduce progressive methods.

He hurts his community by helping to give it a reputation for producing only average cotton.

**W**HEN a farmer gins and grades his cotton—

He knows what his cotton is worth and is in a position to ask and get a right price for lint and seed.

He does not let his neighbors' trash, dirt, and damaged cotton lower the price for his lint and seed.

He will be paid for his farming skill and labor according to his own results.

The price for his product will be fixed by the world-market lint quotations.

By offering lint cotton he will attract lint buyers to compete in his local market for his cotton.

He can keep his own good seed and perpetuate and improve his successful strain.

He helps his community to raise and sell cotton on a quality basis.

He helps his community to become known to buyers as producing quality cotton and to get the money the crop is worth on its merits.

# LOSSES FROM SELLING COTTON IN THE SEED

By CHARLES F. CRESWELL

*Scientific Assistant, Bureau of Agricultural Economics*

## CONTENTS

	Page		Page
The origin of the custom.....	1	Inconsistencies in prices received for the lint content of seed cotton.....	6
Reasons why cotton is sold in the seed.....	2	Prices resulting from different lint percentages.....	6
Disadvantages of selling cotton in the seed.....	2	Prices of lint cotton calculated from certain seed-cotton prices and certain lint percentages.....	7
Difficulty of determining a just seed-cotton price.....	4	Summary.....	9
Ginned cotton brings higher prices than unginned cotton.....	5		

## THE ORIGIN OF THE CUSTOM

THE BUYING AND SELLING of cotton in the seed or "seed cotton" is an old custom that probably had its origin in the purchase by plantation owners, who operated gins, of their tenants' crops and the small miscellaneous crops of their neighbors. With the development of the public gins the buying of seed cotton at first became a regular part of the business, since it enabled growers to dispose of their holdings without delay regardless of the size of their individual crops. The custom came into disrepute, however, when it was appreciated that it afforded an easy means of disposing of stolen cotton. The practice is prohibited by law in some States except when guarded by restrictions such as the identification of the owner, records of each transaction and the requirement that the negotiations and sales be conducted during daylight. In recent years it has been discarded as a general practice in the greater portion of the Cotton Belt, since it has been found that in those sections where it was optional whether the grower should sell in the seed or have the ginning done and sell the seed and lint separately, the advantage of the latter method far offset those of the former.

The custom still prevails, however, along what might be called the outlying edges of the Cotton Belt, that is, in the regions of less intensive cotton culture along the Atlantic coastal plain and in the newer cotton-growing sections of New Mexico, Missouri, Tennessee, and Illinois. In some of the western districts where the rapid extension of cotton culture was coincident with the development of

NOTE.—The original edition of this bulletin appeared November 10, 1916. The facts set forth in it are based on personal interviews during May and June of 1916 with farmers, ginners, oil-mill men, and others in all the important sections where cotton is sold in the seed, and on a study of seed-cotton marketing made in Oklahoma during the 1913-14 season. See Creswell, Charles F.: Disadvantages of Selling Cotton in the Seed, U. S. Department of Agriculture Bulletin 375. 1916.

This bulletin has been revised by G. S. Meloy.

the cotton-oil-pressing industry the custom was revived and has become such a fixed practice that growers have no alternative, for custom ginning is discouraged.

It so happened that at the time of this rapid extension of cotton culture, the demand for seed for crushing purposes was acute and in the absence of commercial ginners in the new territory the cotton-oil companies established plants equipped for both ginning the cotton and expressing the oil. To insure obtaining the seed, which is the primary object of these companies, all cotton is purchased by them before being ginned. As oil extraction is the principal business, little or no attention is paid to questions of variety, length of staple or character of lint. Generally only a casual assortment of the purchases is made into two or three lots on a basis of the approximate amount of foreign matter contained. Frequently in the cases of the small ginners in the outlying sections no attempt at all is made to assort seed-cotton purchases. It is estimated that over 600,000 bales of the 1924 crop were sold in the seed, of which 394,000 bales were from Oklahoma.

#### REASONS WHY COTTON IS SOLD IN THE SEED

In regions where cotton is sold in the seed, the producer is able to make a ready cash sale of any amount of unginned cotton that he may bring to the gin. In most markets, practically the only advantage accruing to the farmers as a class, however, is the saving of the time of men and teams which otherwise would be spent in awaiting their turns at the gins and in selling the baled lint cotton.

In nearly every section where unginned cotton is sold to any considerable extent, oilmills either own or control gins and buy seed cotton principally to secure the cottonseed. Such oil mills often encourage producers to sell their cotton in this way.

In many communities where production is scanty, or where too little cotton is produced to allow the gins to run daily, cotton often is sold unginned. The custom started in this way in some sections and was not discontinued when the production became large enough to make custom ginning practicable.

In Virginia and in the eastern part of North Carolina some cotton is sold and planted on a contract basis. The ginner enters into an agreement with the producer to buy the seed cotton produced on a specified area at a certain price per pound. This assures the farmer of a fixed price for his cotton and the ginner of a certain amount of business during the approaching season.

Frequently in all sections of the cotton belt producers sell their last pickings of less than bale lots in the seed. Farmers also put their remnants together or buy sufficient seed cotton from other farmers to complete a bale rather than sell their cotton unginned.

#### DISADVANTAGES OF SELLING COTTON IN THE SEED

The selling of cotton in the seed is subject to several uncertain factors, which result in many disadvantages to the producer. The percentages of lint, seed and trash may be much greater in one load of seed cotton than in another, and the two loads may grade very

differently. These great differences and the inability of either the producer or the ginner to determine accurately the grade or the percentages of lint, seed, and trash in seed cotton result in dealing on a basis of averages, and the ginner naturally is careful to see that he secures his ginning charge and a profit and is protected against any losses which may arise from the variable elements involved. This method of dealing results in money losses to the cotton producer in the majority of cases and causes great variations in the prices which different individuals receive for cotton of the same quality and wide irregularities in prices received for cotton of different qualities.

A ginner often buys on one day several times as many loads of seed cotton as he is able to gin during the day. As stated only a casual assortment of the purchases is made, usually into three lots on the basis of the differences in the apparent amount of foreign matter contained, but without regard to variety, character, or length of staple. It follows that the different varieties of seed as well as the different grades, characters, and lengths of lint produced in a community are mixed at the gin. Much of the gin-run seed is planted, causing a mixture of varieties and lengths of staple in the field. The mixing of grades and staples results in an absolute loss, from which no person gains. Such a condition, if not already detected, sooner or later will be discovered by discriminating buyers and can not fail to reflect on the local market to the detriment of the producer.

Selling cotton in the seed hinders improvement in quality. It is difficult for the grower to obtain his own seed for planting and he is encouraged to improve his product with the sole object of increasing the yield of seed cotton per acre. Grade and staple are so little considered by the buyer of seed cotton that they become matters of indifference to the grower and but little attention is given to the quality of the fiber. Where this method of selling prevails, the better cotton when sold in the seed brings so small a premium that the grower is not encouraged to produce and bring to market superior seed cotton free from an excess of dirt, trash, and moisture, and, as will be shown later, is more often actually penalized for any special efforts at improving the character of his crop.

In those communities where most of the cotton is sold in the seed there is usually a restricted market for lint cotton, as not enough cotton is sold in the bale to attract regular buyers. The bales often are purchased from the ginner by large buyers, who sometimes buy on an average gin-run basis without grading the lot. This condition does not tend to encourage keen competition and close discrimination as to grade and staple in the purchase of lint cotton. Therefore, the grower who desires to produce cotton of good quality and sell his lint and seed separately is placed at a disadvantage.

The seller of lint cotton can compare the prices offered for his product with the prices being paid in large interior markets and at the ports, as published in the daily papers, and thus can ascertain whether he is receiving reasonable offers. On the other hand, the farmer who sells seed cotton does not know the price which his lint brings, and, therefore, can not check his offers against prices being paid for lint cotton in other markets.

## DIFFICULTY OF DETERMINING A JUST SEED-COTTON PRICE

The price paid for seed cotton under these circumstances is based first on the probable percentages of lint. The possible loss in weight is doubtless also considered, as well as the oil content of the seed. A further discount is made to insure profit on the sale of the lint cotton that is reduced in both grade and character by the methods of handling.

The grades of lint and the percentages of lint, seed, and trash vary greatly in different loads of seed cotton.<sup>2</sup> The inability of the ginner or the producer to determine accurately these uncertain elements before ginning makes it impossible to figure a just price to be paid for each load. The best that can be done, under the circumstances, is to consider the current lint and seed prices and the average lint, seed, and trash contents of the entire community as a basis for reaching the price to be paid for unginned cotton. The ginner often offers a uniform price for practically all seed cotton with little regard for quality, although, if a load appears to be much worse than the average in trash or moisture content, a lower price may be offered. In fixing the price the buyer naturally is careful to guard against any losses that may be incurred on account of the uncertainties involved and to figure safely his own profit.

Many cases were found during a survey conducted in Oklahoma where, in the same market, on the same day, the same price per hundred pounds was paid for all unginned cotton, apparently with an utter disregard for quality, the ginner probably expecting to overcome any losses on the poor loads by gains on the better ones. The range in price paid for seed cotton on any one day was comparatively small, and many instances were found where the load containing the best lint brought the producer a lower price per pound for the lint than did the load which yielded the poorest lint.

## GINNED COTTON BRINGS HIGHER PRICES THAN UNGINNED COTTON

In a particular case a record was kept of a load of seed cotton brought to a certain Oklahoma town where there was a market for both ginned and unginned cotton. The owner decided to sell his cotton in the seed and received a price of \$3.50 per 100 pounds, amounting to \$55.77 for the load. This load of seed cotton contained 30 per cent of lint, 64 per cent of seed, and 6 per cent of trash, and yielded lint of the grade of Strict Low Middling. If this lot of seed cotton had been custom ginned the farmer would have had 478 pounds of lint, on which would have been placed 22 pounds of bagging and ties, making a 500-pound gross weight bale. He also would have had 1,020 pounds of cottonseed, which could have been sold that day for approximately \$10.20. The ginner would have assessed a charge for ginning and wrapping of approximately \$3.50. Therefore, the producer received for his load of seed cotton the equal of \$49.07 per 500-pound gross weight bale, or 9.81 cents per pound,

<sup>2</sup> In the same market during the same week the grade has ranged from below Good Ordinary to Strict Good Middling; the lint content has varied 11 per cent, the seed content 23 per cent, and the trash content 22 per cent. Loads of the same variety of cotton often differ greatly in these respects on the same day. It is seldom that two loads of cotton will be identical in grade and in lint, seed, and trash proportions in the same market on the same day.

for baled lint cotton. During the week and in the market where this load of seed cotton was sold information was obtained as to the sale of other bales of ginned cotton of the same grade, which brought an average price of 12 cents per pound, in addition to the amounts received by the producers for their cottonseed. It may be assumed, therefore, that in this case the decision of the farmer to sell his cotton unginned cost him approximately the difference between 12 cents and 9.81 cents per pound, or \$10.95 per bale.

In another case a farmer sold a load of seed cotton for \$55.77 which contained 30 per cent of lint and 68 per cent of seed. If this load had been ginned the farmer could have sold his seed for approximately \$10.83. After allowing for the value of the seed and for the cost of ginning, the lint cotton, which graded Strict Good Middling, brought him but \$48.44 per bale. Cotton of the same grade which had been ginned was selling at an average of \$64.30. Therefore this farmer lost approximately \$15.86 by selling his cotton unginned.

One producer who had his cotton ginned sold a bale of Middling for \$66.25, while another producer who sold cotton unginned received only \$49.90 per bale for lint of the same grade. A bale of Low Middling was sold for \$60, while a lot of the same grade was sold unginned at an equivalent of \$37.80 per bale. A Low Middling bale brought \$61.50, while a lot sold in the seed brought only \$40.90 per bale for lint which graded Strict Low Middling. Three bales of Strict Low Middling brought the producers an average of \$61.25, while three lots of the same grade which were sold in the seed brought the producers only \$49.65 per bale for the lint.

Producers in Oklahoma who sold cotton in the seed during the season of 1913-14, when this survey was made, suffered as a result average losses on all grades of cotton as follows: Good Ordinary, \$4.55; Strict Good Ordinary, \$3.25; Low Middling, \$1.75; Strict Low Middling, \$3.60; Middling, \$6.90; Strict Middling, \$7.40; Good Middling, \$7.60, and averaging \$4.63 per bale for all the white grades. The producers lost during each month average sums ranging from \$3.85 per bale for October to \$10.25 for December and averaging \$6.06 per bale, including off-colored cotton as well as the white grades. Both seed-cotton and lint-cotton sales were studied in the same market during the same week in 14 instances. In one of these cases it was found that the producers gained an average of \$3.55 per bale, but in the other 13 cases average losses were sustained ranging from \$4.45 to \$17.70 per bale and averaging \$7.59 per bale for the 14 instances.

Since the season of 1913-14 when the special survey was made the value of ginned cotton has approximately doubled, but the increase in the price of seed cotton is much below this ratio. But even if the rate of increase in the price of both ginned cotton and seed cotton had been the same, the actual losses would have doubled, for in the instance above cited in which the owner received 9.81 cents per pound for his lint when sold in the seed and could have received 12 cents net per pound for his lint if he had ginned and sold his lint on grade, the loss was 2.19 cents per pound and if the value of each had been doubled the loss would be 4.38 cents per pound or \$21.90 per bale on the lint alone.

It is apparent that seed-cotton selling is an uncertain proposition and usually results in losses on all grades to individual producers as well as to producers as a whole in any market where cotton is so sold.

#### INCONSISTENCIES IN PRICES RECEIVED FOR THE LINT CONTENT OF SEED COTTON

When cotton is sold in the seed producers receive widely varying prices for the lint, on account of the various uncertain elements involved. The lowest quality of lint that is sold in the seed on a given day often will bring more than the highest quality so sold in the same market. Frequently the highest price paid in a market (that is, the price which figures out most for the lint) is for cotton of lower quality than that for which the lowest price is paid.

In the course of the investigation conducted in Oklahoma, 84 comparisons were made between prices received for loads of seed cotton sold in the same week at the same place. In 34 cases the extreme irregularities in prices, quality considered, was more than \$15 per bale; in 32 cases from \$10 to \$15; and in only 18 cases was the difference less than \$10, the smallest difference being 95 cents per bale.

On one day in a certain market a bale of Strict Good Middling sold in the seed at 9.62 cents per pound of lint, while a bale below Good Ordinary sold for 10.10 cents per pound. According to New Orleans spot quotations, the Strict Good Middling was worth 3.38 cents per pound more than the other bale, but sold for 0.48 of a cent less, making a discrepancy between the prices received for the two lots of 3.86 cents per pound, or \$19.30 per bale. On another day a bale of Good Middling sold in the seed for 7.55 cents per pound of lint, while a bale below Good Ordinary sold for 8.37 cents per pound. According to New Orleans spot quotations, the Good Middling was worth 3.44 cents per pound more than the other bale, but sold for 0.82 of a cent less, making a discrepancy of 4.26 cents per pound, or \$21.30 per bale. Even the lower grade bale brought less than should have been received in accordance with spot quotations at New Orleans.

These are only two of many illustrations that could be given to show the risk to which the producer who sells seed-cotton is subject. He can not ascertain the grade or the percentages of lint, seed, and trash contained in the load, and may unknowingly sell high-grade cotton for less money than other farmers are receiving for low-grade cotton. While the producer may sometimes receive more money for individual loads of low-grade cotton by selling in the seed, in a majority of cases he loses on low-grade as well as on high-grade cotton.

#### PRICES RESULTING FROM DIFFERENT LINT PERCENTAGES

It is generally admitted that the percentages of lint can not be determined accurately before the cotton is ginned. Investigations have shown that there are wide differences in lint content between different loads sold in the same market on the same day, and that many inconsistencies in prices result from varying lint percentages. In order that the producer might have some means of estimating the extent to which his proceeds may be affected by variations in lint

content, Tables 1 to 5 have been prepared. The compilations have been made on the following basis: Ginning charge of \$3.50, tare of 22 pounds per bale, trash content of 5 per cent, and gross-weight bale of 500 pounds. These amounts are not the same in all sections, but the tables will show approximate differences resulting from different percentages of lint.

When it is desired to approximate the equivalent lint price that will result from a certain sale of seed cotton, the table should be selected which is figured on the cottonseed price nearest to the price of cottonseed at the time. In the table the seed-cotton price should be selected which is nearest to the price at which the sale is made. The lint prices resulting from different percentages of lint can then be estimated closely, providing the ginning charge is approximately \$3.50 and the trash content approximately 5 per cent.

For instance, by referring to Table 1 it will be seen that when cottonseed is worth \$20 per ton the producer who sells for \$4 per 100 pounds a load of seed cotton which yields only 27 per cent of lint gets 12.95 cents per pound for the lint, while a load yielding 35 per cent of lint will bring only 10.37 cents per pound of lint, a difference of \$12.90 per bale. Under the same conditions a load of cotton yielding 32 per cent of lint will bring \$1.50 per bale less for the lint than a load yielding 31 per cent of lint. By referring to Table 3 it will be seen that when cottonseed is worth \$25 per ton and seed-cotton is bringing \$4 per 100 pounds, a load containing 35 per cent of lint will bring \$11.90 less per bale for the lint than another load containing 27 per cent of lint. Under the same conditions a load containing 31 per cent of lint will bring \$1.45 per bale more for the lint than a load containing 32 per cent of lint.

Thus, it is shown that the uncertain element of lint percentage will cause great inconsistencies, quality considered, between prices received for cotton sold unginmed. By selling his cotton in the seed the producer of seed cotton containing a high percentage of lint is likely to receive much less per pound for the lint in his product than the producer of seed cotton containing a low percentage of lint.

PRICES OF LINT COTTON CALCULATED FROM CERTAIN SEED-COTTON PRICES AND CERTAIN LINT PERCENTAGES

(Based on ginning charge of \$3.50 per bale, tare of 22 pounds per bale, trash content of 5 per cent and 500-pound gross weight bale)

TABLE 1.—List prices per pound, assuming a cottonseed price of \$20 per ton

Lint outturn <sup>1</sup>		Seed-cotton price per 100 pounds									
		\$3.00	\$3.25	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	\$5.00	\$5.25
Per cent	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
27-----	9.25	10.17	11.10	12.03	12.95	13.88	14.80	15.73	16.66	17.58	
28-----	8.98	9.87	10.76	11.66	12.55	13.44	14.34	15.23	16.12	17.01	
29-----	8.72	9.59	10.45	11.31	12.17	13.03	13.90	14.76	15.62	16.48	
30-----	8.49	9.32	10.16	10.99	11.82	12.66	13.49	14.32	15.16	15.99	
31-----	8.27	9.07	9.88	10.69	11.49	12.30	13.11	13.91	14.72	15.53	
32-----	8.06	8.84	9.63	10.41	11.19	11.97	12.75	13.53	14.31	15.09	
33-----	7.87	8.62	9.38	10.14	10.90	11.65	12.41	13.17	13.93	14.68	
34-----	7.69	8.42	9.16	9.89	10.63	11.36	12.10	12.83	13.57	14.30	
35-----	7.51	8.23	8.94	9.66	10.37	11.09	11.80	12.51	13.23	13.94	

<sup>1</sup> The lint outturns shown in Tables 1 to 5 include the actual lint outturn plus an allowance for bagging and ties.

TABLE 2.—*Lint prices per pound, assuming a cottonseed price of \$25 per ton*

Lint outturn	Seed-cotton price per 100 pounds									
	\$3.25	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	\$5.00	\$5.25	\$5.50
<i>Per cent</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
27.....	9.53	10.46	11.39	12.31	13.24	14.16	15.09	16.01	16.94	17.87
28.....	9.26	10.16	11.05	11.94	12.83	13.73	14.62	15.51	16.41	17.30
29.....	9.01	9.87	10.73	11.59	12.45	13.32	14.18	15.04	15.90	16.77
30.....	8.77	9.60	10.44	11.27	12.10	12.94	13.77	14.60	15.44	16.27
31.....	8.55	9.35	10.16	10.97	11.77	12.58	13.39	14.19	15.00	15.80
32.....	8.34	9.12	9.90	10.68	11.47	12.25	13.03	13.81	14.59	15.37
33.....	8.14	8.90	9.66	10.42	11.17	11.93	12.69	13.45	14.20	14.96
34.....	7.96	8.70	9.43	10.17	10.90	11.64	12.37	13.11	13.84	14.58
35.....	7.79	8.50	9.22	9.93	10.65	11.36	12.07	12.79	13.50	14.22

TABLE 3.—*Lint prices per pound, assuming a cottonseed price of \$30 per ton*

Lint outturn	Seed-cotton price per 100 pounds									
	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	\$5.00	\$5.25	\$5.50	\$5.75
<i>Per cent</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
27.....	9.82	10.74	11.67	12.60	13.52	14.45	15.37	16.30	17.23	18.15
28.....	9.55	10.44	11.33	12.23	13.12	14.01	14.90	15.80	16.69	17.58
29.....	9.29	10.15	11.01	11.87	12.74	13.60	14.46	15.32	16.18	17.05
30.....	9.05	9.89	10.72	11.55	12.39	13.22	14.05	14.89	15.72	16.55
31.....	8.83	9.63	10.44	11.25	12.05	12.86	13.66	14.47	15.28	16.08
32.....	8.62	9.40	10.18	10.96	11.74	12.53	13.31	14.09	14.87	15.65
33.....	8.42	9.18	9.93	10.69	11.45	12.21	12.97	13.72	14.48	15.24
34.....	8.24	8.97	9.71	10.44	11.18	11.91	12.65	13.38	14.12	14.85
35.....	8.06	8.78	9.49	10.21	10.92	11.64	12.35	13.06	13.78	14.49

TABLE 4.—*Lint prices per pound, assuming a cottonseed price at \$35 per ton*

Lint outturn	Seed-cotton price per 100 pounds									
	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	\$5.00	\$5.25	\$5.50	\$5.75	\$6.00
<i>Per cent</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
27.....	10.10	11.03	11.96	12.88	13.81	14.73	15.66	16.59	17.51	18.44
28.....	9.83	10.72	11.62	12.51	13.40	14.29	15.19	16.08	16.97	17.87
29.....	9.57	10.43	11.29	12.16	13.02	13.88	14.74	15.60	16.47	17.33
30.....	9.33	10.17	11.00	11.83	12.67	13.50	14.33	15.17	16.00	16.83
31.....	9.10	9.91	10.72	11.52	12.33	13.14	13.94	14.75	15.56	16.36
32.....	8.90	9.68	10.46	11.24	12.02	12.80	13.58	14.37	15.15	15.93
33.....	8.70	9.45	10.21	10.97	11.73	12.48	13.24	14.00	14.76	15.51
34.....	8.51	9.25	9.98	10.72	11.45	12.19	12.92	13.66	14.39	15.13
35.....	8.34	9.05	9.77	10.48	11.20	11.91	12.63	13.34	14.05	14.77

TABLE 5.—*Lint prices per pound, assuming a cottonseed price of \$40 per ton*

Lint outturn	Seed-cotton price per 100 pounds									
	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	\$5.00	\$5.25	\$5.50	\$5.75	\$6.00
<i>Per cent</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
27.....	9.46	10.39	11.31	12.24	13.17	14.09	15.02	15.94	16.87	17.80
28.....	9.22	10.11	11.01	11.90	12.79	13.69	14.58	15.47	16.36	17.26
29.....	8.99	9.85	10.71	11.58	12.44	13.30	14.16	15.02	15.89	16.75
30.....	8.78	9.61	10.45	11.28	12.11	12.95	13.78	14.61	15.45	16.28
31.....	8.58	9.38	10.19	11.00	11.80	12.61	13.42	14.22	15.03	15.84
32.....	8.39	9.18	9.96	10.74	11.52	12.30	13.08	13.86	14.67	15.42
33.....	8.22	8.97	9.73	10.49	11.25	12.00	12.76	13.52	14.28	15.03
34.....	8.05	8.79	9.52	10.26	10.99	11.73	12.46	13.20	13.94	14.67
35.....	7.90	8.61	9.33	10.04	10.76	11.47	12.19	12.90	13.61	14.33

## SUMMARY

The scarcity of public gins in early times may have occasioned such serious delays in ginning as to warrant selling cotton in the seed, but at present no such shortage of public ginning facilities exists.

At present in the more progressive communities, and therefore in the communities where time is the most valuable, the custom of selling cotton in the seed has been abandoned and even prohibited by law in some States.

The returns are normally so much greater when cotton is ginned and seed and lint sold separately that no cotton grower can afford to sell in the seed.

Cotton should always be sold on the basis of its grade and staple, not only that the producer may receive its full value but also that he may be encouraged to handle his crop in the best manner and produce cotton of high grade and quality.

The classing of cotton for the producer as well as for the merchant has been simplified by the adoption of the United States official cotton standards and the provision of the cotton-standards law for the licensing of qualified persons as public classifiers.

The cotton standards act further provides for the grading of samples of cotton by a United States board of cotton examiners.<sup>3</sup>

The percentages of lint, seed, and trash, and the quality of lint vary greatly in different loads of seed cotton, and it is impossible for the ginner or the producer to determine these elements accurately before ginning. These uncertain factors result in wide discrepancies in prices received by individual producers who sell cotton in the seed. Selling cotton in the seed also results in losses to producers as a class. At the same time it tends to lower the quality of cotton in those communities where this practice prevails.

Under the system of buying seed cotton, every step in the handling and marketing of the cotton crop seems designed to discourage the growing of improved varieties and to foster shiftless methods on the farm. Moreover, consumers or buyers of cotton come to believe that in certain sections it is possible to produce only wasty and irregular grades of inferior cotton, whereas in fact these sections contain some of the best cotton lands in the Cotton Belt.

Discriminating buyers shun markets where buying seed cotton prevails. Competition between buyers is reduced and often a single buyer controls the market.

Other publications which are of interest in connection with this bulletin are given herewith:

Department Bulletin No. 644, Lint Percentage and Lint Index of Cotton and Methods of Determination.

Department Bulletin No. 1111, One-Variety Cotton Communities.

Farmers' Bulletin No. 1465, Cotton Ginning.

Department Circular No. 205, Cotton-Seed Mixing Increased by Modern Gin Equipment.

Department Circular No. 278, Commercial Classification of American Cotton. Service and Regulatory Announcements No. 95. (Agricultural Economics), Regulations of the Secretary of Agriculture under the United States Cotton Standards Act.

<sup>3</sup> United States boards of cotton examiners are located in the Cotton Exchange Building at New Orleans, La., and in the Westheimer Building at Houston, Tex. A fee of 15 cents is charged by the board for the determination of the grade of each sample. An additional charge of 15 cents per sample is made if the length of the staple of the sample is also to be determined.

# **ORGANIZATION OF THE UNITED STATES DEPARTMENT OF AGRICULTURE**

January 10, 1926

---

<i>Secretary of Agriculture</i> -----	W. M. JARDINE.
<i>Assistant Secretary</i> -----	R. W. DUNLAP.
<i>Director of Scientific Work</i> -----	-----
<i>Director of Regulatory Work</i> -----	WALTER G. CAMPBELL.
<i>Director of Extension Work</i> -----	C. W. WARBURTON.
<i>Director of Information</i> -----	NELSON ANTRIM CRAWFORD.
<i>Director of Personnel and Business Administration</i> -----	W. W. STOCKBERGER.
<i>Solicitor</i> -----	R. W. WILLIAMS.
<i>Weather Bureau</i> -----	CHARLES F. MARVIN, <i>Chief</i> .
<i>Bureau of Agricultural Economics</i> -----	THOMAS P. COOPER, <i>Chief</i> .
<i>Bureau of Animal Industry</i> -----	JOHN R. MOHLER, <i>Chief</i> .
<i>Bureau of Plant Industry</i> -----	WILLIAM A. TAYLOR, <i>Chief</i> .
<i>Forest Service</i> -----	W. B. GREELEY, <i>Chief</i> .
<i>Bureau of Chemistry</i> -----	C. A. BROWNE, <i>Chief</i> .
<i>Bureau of Soils</i> -----	MILTON WHITNEY, <i>Chief</i> .
<i>Bureau of Entomology</i> -----	L. O. HOWARD, <i>Chief</i> .
<i>Bureau of Biological Survey</i> -----	E. W. NELSON, <i>Chief</i> .
<i>Bureau of Public Roads</i> -----	THOMAS H. MACDONALD, <i>Chief</i> .
<i>Bureau of Home Economics</i> -----	LOUISE STANLEY, <i>Chief</i> .
<i>Bureau of Dairying</i> -----	C. W. LARSON, <i>Chief</i> .
<i>Fixed Nitrogen Research Laboratory</i> -----	F. G. COTTRELL, <i>Director</i> .
<i>Office of Experiment Stations</i> -----	E. W. ALLEN, <i>Chief</i> .
<i>Office of Cooperative Extension Work</i> -----	C. B. SMITH, <i>Chief</i> .
<i>Library</i> -----	CLARIBEL R. BARNETT, <i>Librarian</i> .
<i>Federal Horticultural Board</i> -----	C. L. MARLATT, <i>Chairman</i> .
<i>Insecticide and Fungicide Board</i> -----	J. K. HAYWOOD, <i>Chairman</i> .
<i>Packers and Stockyards Administration</i> -----	JOHN T. CAINE, <i>in Charge</i> .
<i>Grain Futures Administration</i> -----	J. W. T. DUVEL, <i>in Charge</i> .

---

This bulletin is a contribution from

<i>Bureau of Agricultural Economics</i> -----	THOMAS P. COOPER, <i>Chief</i> .
<i>Cotton Division</i> -----	ARTHUR W. PALMER, <i>in Charge</i> .